



Memorandum

TO: Transit Planning Board

FROM: Cheryl King, Staff Director

CC: TPB Senior Staff

DATE: November 21, 2007

SUBJECT: Regional Transit Institutional Analysis – Review and Implications

Dear Transit Planning Board members:

Earlier in 2007, you asked staff to present you with a regional transit vision plan before you wanted to start the conversation on Governance and Funding. As we approach the public review period of a plan, it is time to restart the conversations, particularly on Governance. This conversation began with ARC's Regional Institutional Analysis (RTIA) that led to the creation of the TPB. Therefore, this document is designed to provide:

- A brief review of the concepts and ideas in the RTIA;
- The implications of those concepts and;
- Ideas on how we begin to implement any projects rising from the conceptual system.

This document is structured to help frame the discussion first by reviewing the RTIA and some of the general principals and themes that resulted from that project and secondly by providing some examples of single agencies that operate using themes that arose from the RTIA. The goal of this document is to confirm whether the RTIA themes are still the general framework within which we want to construct a governance structure for regional transit. Additionally we want to gather further input from the Board regarding more detailed information on potential governance structures within that framework.

Review of Regional Transit Institutional Analysis (RTIA)

Two years ago, the RTIA made progress towards narrowing down the particular governance framework in Atlanta to be a Transit Services Board (TSB). The Transit Planning Board (TPB) was intended as an interim step towards creation of a permanent TSB. While the creation of the TPB was the major definitive decision, some consistent general themes from the RTIA regarding governance include :

- The Atlanta region should create a regional Transit Services Board(TSB);
- The leadership should consist of local representation in partnership with state agencies
- The perspective should be regional;
- The designated fund recipient should allocate funding
- Long-range, comprehensive regional transit planning should to feed into the overall Metropolitan Planning Process at ARC

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- Thorough oversight of service delivery and financial performance should be separate from operations, and
- The customer experience should be seamless.

Over the course of the life of the TPB, an additional theme has kept arising:

- Representation is based upon funding commitments

These themes suggest several general implications for a TSB governance model.

1. The overall long-range planning process is unchanged

The development and adoption of the Regional Transportation Plan (RTP) and Transportation Improvement Program (TIP) remains subject to the Metropolitan Planning Organization (MPO for metropolitan region) process as determined by the region. However, the TSB would have responsibility for developing a long-range transit component that would feed into the MPO process. This would ensure that one entity is responsible and accountable for coordinating a regional long-range perspective for transit to feed into the overall long-range transportation planning process (LRTP).

2. The TSB will not directly operate service

The TSB, in whatever form it takes, will not directly employ the individuals responsible for the day-to-day delivery and operation of the transit service. How the TSB relates to the day-to-day operation of transit service was left unclear by the RTIA process and can take several forms. For example, to provide a seamless customer experience, it may be necessary to have one brand (Name, logo) with the TSB contracting directly with a private or public operator to deliver transit service. The buses, railcars (rolling stock), and infrastructure would be the property of the TSB. This is a method currently used by some operators within the region (CCT, GRTA, C-TRAN, GCT). Another alternative could have the TSB setting service standards (hours of operation, level of service, on time performance, etc), allocating funding, but not directly contracting for the operation of the service. This alternative would require that there be another entity, an operating entity, between the TSB and the day-to-day operations of the transit service. This is a model the Chicago region uses.

3. The TSB will ensure a seamless customer experience

This particular theme suggests that the TSB will be the entity responsible for setting fares, or at least establishing a common fare product and integrated customer information/communication. How the fare product takes shape has to be determined. For instance, the TSB could determine standard fare pricing for the entire region, for a portion of the region (if it contracted to operate service), or simply provide a regional pass or ticket. This option would allow other local operators to determine fares for trips exclusively within their jurisdiction. At any level, however, this theme suggests that the TSB will be responsible to control at some level fares within the Atlanta region. Regardless of the nature of the regional transit entity, comprehensive, easy to understand customer information and communications is vital to a seamless customer experience..

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General Framework

As a general framework, a Transit Services Board appears to be a workable, practical, and acceptable model for governing transit services within the Atlanta region. This model balances a centralized regional transit perspective with the need to balance local interests and the varying transit needs of the region. Based upon initial feedback there seemed to be general agreement that a TSB should:

- Probably not be a direct operator of service,
- Should provide a framework for allocating funding,
- Should do long-range transit planning to feed into the standard MPO Planning process; and
- Should have the ability to manage a regional fare structure.

However, within these conditions there are still a number of different questions that remain to be answered:

1. Would a TSB directly contract with private operators for some services?
2. Would a TSB be the designated recipient of federal funds or only any new funds?
3. Would a TSB directly set fares?
4. Would a TSB own infrastructure, buy rolling stock, and/or let construction contracts?

Three Examples for Peer Areas

Each of the examples below represent functioning models of Transit Services Boards based upon framework and themes discussed previously. They each cover their entire region and oversee transit networks consisting of multiple transit modes, operating companies, and political jurisdictions. At a minimum each coordinates investment decisions, passenger information, and fare policies within their region. None of them directly operate service or are the designated MPO or equivalent agency within their region.

Chicago – RTA

The RTA in Chicago functions is an overarching administrator of funding and planning priorities for the Chicago region. The RTA functions as an oversight, coordinating and planning body, but does not function as an implementor of either services or infrastructure. RTA oversees the financial performance of three operating agencies – the Chicago Transit Authority which operates heavy rail and bus services, METRA which operates commuter rail service, and PACE which operates suburban bus services. The RTA provides passenger information and coordinates fares, but actual fare levels and provision of day-to-day transit services is carried out by the CTA, METRA, and PACE. Fares are still set by the individual operating agencies. RTA does operate the trip-planner and other passenger information systems in Chicago providing a one-stop shop for passenger information in the Chicago region.

These three agencies also have their own independent boards representing the areas they serve. Additionally, the vehicles, stations, and physical infrastructure of the transit system in Chicago are owned by the operating agencies and not by the RTA. The RTA also does not directly contract any transit services. Figure 1 shows a generalized organizational framework of the RTA.

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Therefore, the RTA:

1. Oversees the financial performance of the operating agencies
2. Allocates transit funding from state and local sources
3. Provides a centralized customer information center
4. Provides coordinated, long-range transit planning for the Chicago region
5. Coordinates, but does not set fares
6. Does not own infrastructure, rolling stock or let construction contracts

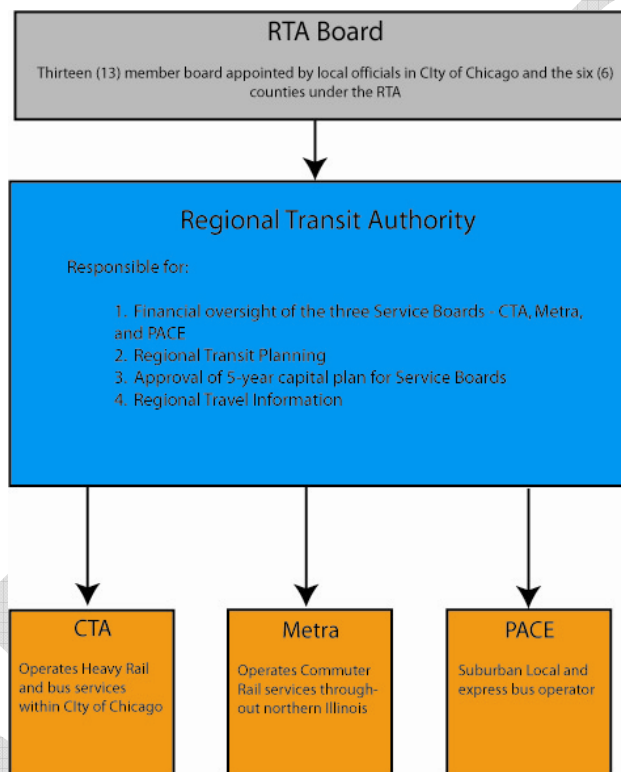


Figure 1 – Generalized Organizational Framework of the RTA

Munich, Germany Verkehrsverbund (MVV)

In Munich, the state of Bavaria and the local governments of Munich and surrounding cities created a joint company responsible for regional transit operations within the greater Munich area. Like the RTA in Chicago, the MVV approves the transit budgets for capital and operating assistances of its member agencies, provides a centralized customer information center, and coordinates transit fares. Again, like Chicago, there are various entities that actually provide transit service such as the MVB which operates the trams, buses, and heavy rail system within the city of Munich and the Bavarian regional rail company that operates the commuter rail services. However, the MVV appears to also contract directly with private operators to provide regional buses services particularly in the outer lying suburbs where the local governments presumably do not have the expertise or desire to provide service themselves. The MVV does set service standards such as maximum headways and some fare policies such as setting interzonal fares. The actual setting of the fare boundaries and schedules are

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done by the operating companies, though the MVV provides the forum for the management of these companies to meet to set the fare-zone boundaries and coordinate their timetables.¹ From a customer's perspective, the MVV's current slogan – "One network, one fare plan, one ticket" – appears to set the goal of the MVV – an integrated, representative transit network to the residents of the Munich region, with the service delivery provided by various providers.² In essence the MVV is a cooperative agency of the various governments in the Munich region. It has many of the same responsibilities as the Chicago RTA, but with the added responsibilities of setting regional fares, setting regional service standards, and contracting out some regional bus services. Figure 2 shows a generalized framework of the MVV.

Therefore, the MVV:

1. Approves capital and operating budgets of the operating agencies
2. Allocates transit funding from state and local sources
3. Provides a centralized customer information center
4. Provides coordinated, long-range transit planning for the Munich region
5. Coordinates and sets inter-zonal (regional) trip fares
6. Does not own infrastructure, rolling stock or let construction contracts
7. Does directly contract for some regional services
8. Does define service levels

¹ Cervero, Robert. The Transit Metropolis: A Global Inquiry. Island Press, Washington D.C. 1998. pg. 218

² Muenchen Verkehrs – und Tarifsverbund, http://www.mvv-muenchen.de/de/home/dermvv/unternehmen/ueber_uns/index.html
(Last accessed November 20, 2007)

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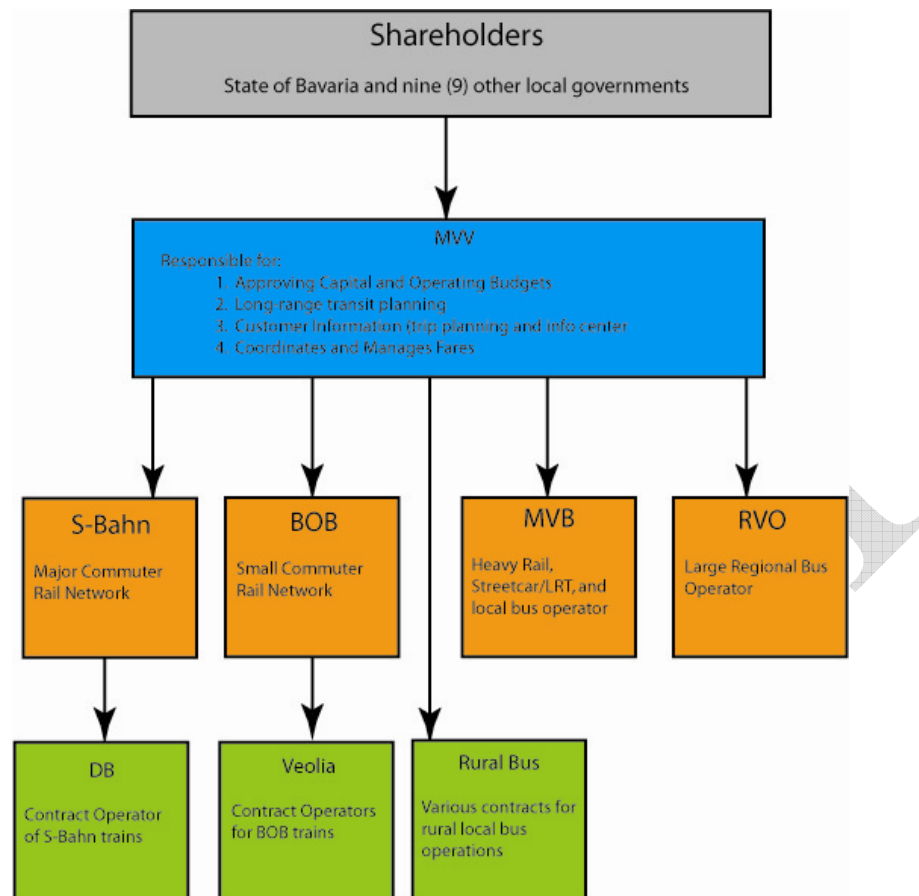


Figure 2 – Generalized Organizational Framework of the MVV

Vancouver, Canada – Translink

Translink is the TSB-type agency for Vancouver. Like the Munich MVV and Chicago RTA, Translink approves the capital and operating budgets for the operating agencies within its purview, coordinates fare policies, and provides a centralized customer information center. Additionally, like the MVV, Translink can also directly contract for service, set service levels, and actually set fares. Translink also acts as an implementor directly contracting for construction and acts as the owner of infrastructure within Vancouver. Unlike the MVV and Chicago RTA, the operating agencies in the Vancouver region are wholly-owned subsidiaries of Translink, though they each have separate boards. Again, unlike the MVV and RTA, Translink is also responsible for constructing several new bridges in the Vancouver region, administering the vehicle emissions testing program, and several other regionally important transportation activities typically outside the transit arena. In essence, Translink is one regional entity that is responsible for developing and implementing regional transit plans and operating transit services through wholly-owned subsidiaries. Figure 3 shows the Translink Organizational Chart.

Therefore, Translink:

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1. Approves capital and operating budgets of the operating agencies
2. Allocates transit funding from state and local sources
3. Provides a centralized customer information center
4. Provides coordinated, long-range transit planning for the Vancouver region
5. Coordinates and sets fares
6. Does own infrastructure, rolling stock or let construction contracts through wholly owned subsidiaries
7. Does directly contract for some regional services
8. Does define service levels

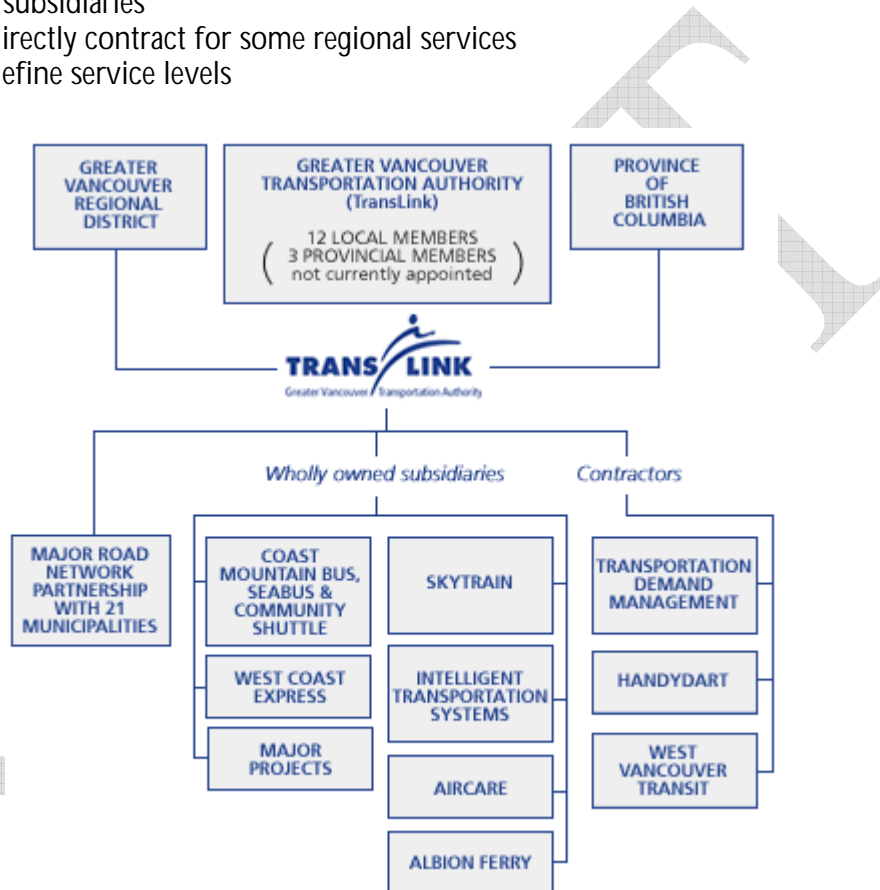


Figure 3 – Translink Organizational Chart³

Each of these examples shows that even within the framework the RTIA group suggested, a Transit Services Board in Atlanta could have several different forms and responsibilities. Table 1 below provides brief snapshot of some of these differences.

³ Greater Vancouver Transportation Authority,
http://www.translink.bc.ca/WhatsNewandBoardMeetings/Translink_Board/default.asp (Last accessed November 20, 2007)

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Table 1 – Illustrative Differences in Responsibilities of Different Transit Services Boards

Issue	RTA	MVV	Translink
Allocates Funding	Yes	Yes	Yes
Coordinates Fares	Yes	Yes	Yes
Manages/Develops Passenger Information	Yes	Yes	Yes
Defines Service Levels	No	Yes	Yes
Sets Fares	No	Yes	Yes
Directly Contracts with operators for Service	No	Yes	Yes
Owns Rolling stock	No	No	Yes
Owns Infrastructure	No	No	Yes
Fulfills other Non-Transit roles (i.e. toll roads)	No	No	Yes

Discussion – Implications for Atlanta

The TPB needs to confirm whether the following principals are still guiding principals behind the governance of regional transit in the Atlanta region:

- Should create a regional Transit Services Board(TSB);
- The leadership should consist of local representation in partnership with state agencies
- The perspective should be regional;
- The designated fund recipient should allocate funding
- Long-range, comprehensive regional transit planning should feed into the overall Metropolitan Planning Process
- Thorough oversight of service delivery and financial performance should be separate from operations,
- The customer experience should be seamless, and
- Representation is based upon funding commitments

If these principals are confirmed, several important characteristics emerge from the examination of the various types of TSBs discussed above :

1. The TSB should have the ability to direct funding towards regional projects;
2. The TSB should have responsibility for coordinating fares across the region;
3. The TSB should be the central location for passenger information within the region; and
4. The TSB should probably have the ability to contract for at least cross-county regional local services in the outer counties

Figure XX Below shows a generalized potential organizational framework for an Atlanta Regional TSB. This figure is meant as a generalized framework for discussion, similar to the initial Transit System Concepts, for discussion. Staff is looking for input from the TPB on this framework and once the framework is agreed upon can begin to suggest methods and strategies about moving from our current governance system to the desired framework. This framework is meant as a starting point for discussion.

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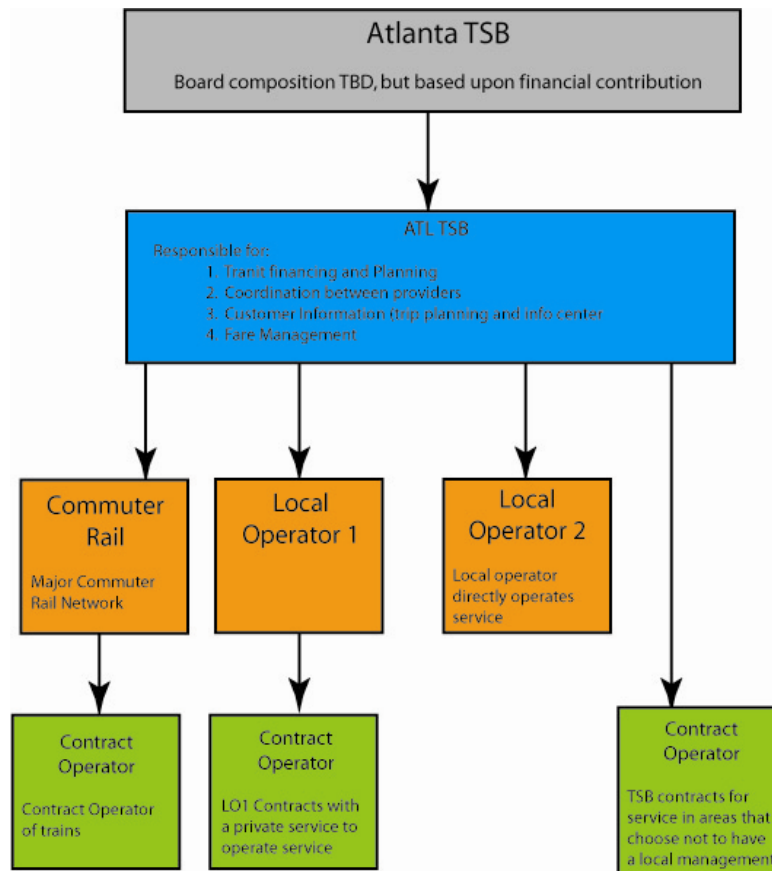


Figure 4 – Conceptual Framework for Atlanta TSB for Discussion

To reiterate, three questions need are being asked of the TPB:

1. Are the guiding governance principals suggested by the RTIA still the acceptable to the Board?
2. If yes, which of the three functioning TSB examples (Chicago, Munich, or Vancouver) appears to the Board to be the most workable in the Atlanta region? Or is it a combination between these models?
3. What are your comments on the conceptual framework for an Atlanta TSB?